November 15, 2019

Mrs. Nancy Pelosi Speaker U.S. House of Representatives 1236 Longworth House Office Bldg Washington, D.C. 20515 Mr. Kevin McCarthy Minority Leader U.S. House of Representatives 2468 Rayburn House Office Bldg Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

We are writing to ask you to lead the way toward passage of a two-year elimination of reductions to state Medicaid disproportionate share (Medicaid DSH) allotments mandated by the Affordable Care Act.

These Medicaid DSH cuts were adopted based on the assumption that the 2010 health care law would greatly reduce the number of uninsured Americans, and while that number has declined, it has not fallen as much as anticipated. Nearly 30 million Americans, including 2.9 million Californians, remain without health insurance. In addition, last year marked the first time since the law's implementation that the number of uninsured Americans actually increased – yet another sign that the law's promise has not yet been fulfilled.

The Medicaid DSH cuts scheduled to take effect in FY 2020, delayed temporarily by the current Continuing Resolution, would be devastating: \$4 billion in reduced Medicaid DSH allotments in FY 2020 and \$8 billion a year in cuts from FY 2021 through FY 2025. For California, that translates into a loss of approximately \$500 million in Medicaid DSH payments to eligible hospitals in FY 2020 alone and about \$950 million a year from FY 2021 through FY 2025.

Medicaid DSH is an essential funding source helping safety-net hospitals serve the uninsured and underinsured residents of their communities. They help offset the cost of the uncompensated care these hospitals provide while also facilitating outreach to rural or underserved communities and ensuring the continued ability of these hospitals to meet the health care needs of those communities. Cuts of the magnitude projected could jeopardize access to care for millions – not only the uninsured and individuals on Medicaid but also those who rely on the system's essential primary care, specialty, and tertiary services.

Congress has acknowledged the importance of Medicaid DSH to supporting the American health care safety net and has never permitted the reduction of DSH allotments to take effect. The conditions that led Congress to these decisions are still very much in evidence today, and for this reason the undersigned urge you to ensure passage of a two-year elimination of cuts to Medicaid

DSH allotments. The millions of Americans whose care is supported by these payments are counting on it. Sincerely, Josh Harder United States Representative (CA-10) United States Representative (CA-8) John Garamendi United States Representative (CA-2) United States Representative (CA-3) ons Modzuk Mike Thompson Doris Matsui United States Representative (CA-5) United States Representative (CA-6) United States Representative (CA-9) United States Representative (CA-7)

Mark DeSaulnier

United States Representative (CA-11)

Barbara Lee

United States Representative (CA-13)



Jim Costa

United States Representative (CA-16)

United States Representative (CA-19)

United States Representative (CA-21)

Julia Brownley

United States Representative (CA-26)

Adam Schiff

United States Representative (CA-28)

United States Representative (CA-15)

United States Representative (CA-17)

nited States Representative (CA-20)

Salud Carbajal

United States Representative (CA-24)

Judy Chu

United States Representative (CA-27)

Tony Cardenas

United States Representative (CA-29)

Brad Sherman United States Representative (CA-30)

United States Representative (CA-32)

Jimmy Gomez United States Representative (CA-34)

United States Representative (CA-36)

United States Representative (CA-38)

United States Representative (CA-40)

United States Representative (CA-31)

Ted W. Lieu United States Representative (CA-33)

Norma Torres United States Representative (CA-35)

United States Representative (CA-37)

Gilbert Ray Cisneros, Jr. United States Representative (CA-39)

Mark Takano

United States Representative (CA-41)

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United States Representative (CA-42)

Nanotto Diaz Barragan

Nanette Diaz Barragan United States Representative (CA-44)

J. Luis Correa

United States Representative (CA-46)

Harley Rouda

United States Representative (CA-48)

Duncan Hunter

United States Representative (CA-50)

Scott Peters

United States Representative (CA-52)

Doug LaMalfa

United States Representative (CA-1)

Holine Water

Maxine Waters

United States Representative (CA-43)

Katie Porter

United States Representative (CA-45)

Alan Lowenthal

United States Representative (CA-47)

Mike Levin

United States Representative (CA-49)

Juan Vargas

United States Representative (CA-51)

United States Representative (CA-53)